

House Study Bill 159

HOUSE FILE _____
BY (PROPOSED COMMITTEE ON
COMMERCE, REGULATION
AND LABOR BILL BY
CHAIRPERSON JENKINS)

Passed House, Date _____ Passed Senate, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act relating to the duties imposed on a real estate broker by
2 a brokerage agreement.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:
4 TLSB 2342HC 81
5 jr/gg/14

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1 1 Section 1. Section 543B.5, subsection 7, Code 2005, is
1 2 amended to read as follows:
1 3 7. "Brokerage agreement" means a contract between a broker
1 4 and a client which establishes the relationship between the
1 5 parties as to the brokerage services to be performed and
1 6 contains the provisions required in section 543B.56A.

1 7 Sec. 2. NEW SECTION. 543B.56A BROKERAGE AGREEMENTS ==
1 8 CONTENTS.

1 9 A brokerage agreement shall specify that the broker shall,
1 10 at a minimum, do all of the following:
1 11 1. Accept delivery of and present to the client offers and
1 12 counteroffers to buy, sell, rent, lease, or exchange the
1 13 client's property or the property the client seeks to purchase
1 14 or lease.

1 15 2. Assist the client in developing, communicating,
1 16 negotiating, and presenting offers or counteroffers until a
1 17 rental agreement, lease, exchange agreement, offer to buy or
1 18 sell, or purchase agreement is signed and all contingencies
1 19 are satisfied or waived and the transaction is completed.

1 20 3. Answer the client's questions relating to the brokerage
1 21 agreements, listing agreements, offers, counteroffers,
1 22 notices, and contingencies.

1 23 4. Provide prospective buyers access to listed properties.

1 24 EXPLANATION

1 25 This bill adds four specific requirements for a contract
1 26 entered into between a real estate broker and a client. The
1 27 current statutory provisions do not require any specific
1 28 duties of the broker to be contained in the brokerage
1 29 agreement. The bill requires the broker to accept and deliver
1 30 to the client all offers and counteroffers, assist the client
1 31 in communicating and negotiating the transaction, answer all
1 32 of the client's questions relating to the transaction, and
1 33 provide access to the property to prospective buyers.

1 34 LSB 2342HC 81

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